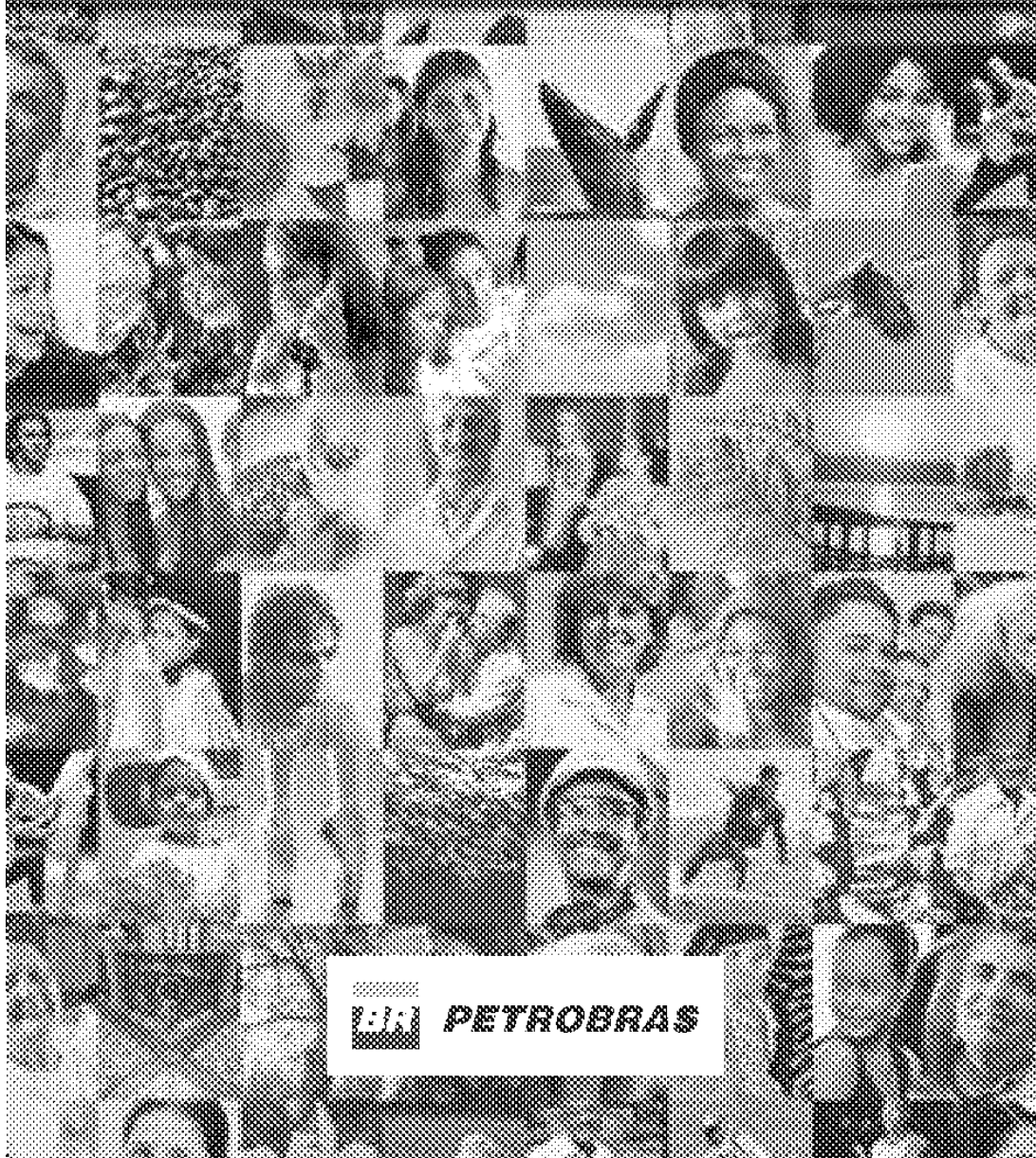


**TAB J**

# ETHICS CODE

PETROBRAS SYSTEM



# ETHICS CODE

THAT'S JUST  
HOW WE ARE

# SUMMARY

Ethics Principles of Petrobras System	06
Commitment to conduct of Petrobras System	11
1. Regarding practice of Corporate Management, Petrobras System undertakes to:	12
2. Regarding relation with its Employees, Petrobras undertakes to:	16
3. Regarding relation with Petrobras System, its Employees undertakes to:	20
4. Regarding relation with Suppliers, Service Providers and Trainees, Petrobras System undertakes to:	24
5. Regarding relation with Customers and Consumers, Petrobras System undertakes to:	26
6. Regarding relation with Environment, and as proof of its responsibility concerning current and future generations, Petrobras System undertakes to:	28
7. Regarding relation with Communities, Petrobras System undertakes to:	32
8. Regarding relation with Society, Government and State, Petrobras System undertakes to:	34
Complementary Provisions	37



# ETHICS PRINCIPLES OF PETROBRAS SYSTEM

- I. Respect for life and all human beings, integrity, truth, honesty, justice, equity, institutional loyalty, responsibility, zeal, merit, transparency, legality, impersonality, coherence between speech and practice, are the ethics principles that guide the actions of Petrobras System.
- II. Respect for life in all its forms, manifestations, and situations is the fundamental ethics principle and guides the care with the quality of life, health, environment, and safety in Petrobras System.
- III. Honesty, integrity, justice, equity, truth, coherence between speech and practice reference Petrobras System relations with people and institutions, and they are manifested in respect for differences and diversity of ethnic, religious, social, cultural, linguistic, politic, aesthetic, age, physical, mental, psychic, gender, sexual orientation conditions, and other.
- IV. The loyalty to Petrobras System manifests as responsibility, zeal and discipline at work and in dealing with all human beings, and with the material and immaterial goods of the System, in fulfillment of its Mission,

Vision and Values, by conducts compatible with the execution of its Corporate Strategy, with entrepreneurial spirit committed to overcoming of challenges.

- V. Transparency is manifested concerning the public interest and of all interested parties and it is compatible with the rights to personal privacy and Information Security Policy of Petrobras System.
- VI. The merit is the decisive criterion for all forms of recognition, reward, evaluation and investment in people, the favoritism and nepotism are unacceptable in Petrobras System.
- VII. The legality and impersonality are constitutional principles which preserve the legal order and determine the distinction between personal and professional interests in the conduct of members of the Board of Directors, Fiscal Councils and Executive Boards and employees of Petrobras System.

- VIII. Petrobras System is committed to respecting and valuing people in their diversity and dignity, in fair labor relations, in a healthy environment, with mutual trust, cooperation, and solidarity.
- IX. Petrobras System develops activities of its business by recognizing and valuing the interests and rights of all interested parties.
- X. Petrobras System operates proactively in pursuit of increasing levels of competitiveness, excellence and profitability, with environmental and social responsibility, contributing to the sustainable development of Brazil and countries where it operates.
- XI. Petrobras System pursuits for excellence in quality, safety, environment, health and human resources, and for that promotes education, training and commitment of employees, involving all interested parties.

- XII. Petrobras System recognizes and respects the legal, social, and cultural aspects of the various environments, regions, and countries in which it operates, always adopting the criterion of maximum execution of rights, compliance with law, rules, and internal procedures.

COMMITMENT  
TO CONDUCT  
OF PETROBRAS  
SYSTEM

COMMITMENT TO CONDUCT  
OF PETROBRAS SYSTEM



Regarding practice of  
Corporate Governance,  
Petrobras System  
undertakes to:

- 1.1 pursuit a balance of power between the High Management (Board of Directors and Executive Boards) and shareholders interest, including minority, with a view to aligning the System's strategic objectives with the interests and rights of all interested parties;
- 1.2 conduct its business with transparency and integrity, creating credibility with its shareholders, investors, employees, suppliers, customers, consumers, government, media, communities where it operates and society in general, pursuing to achieve growth and profitability with social and environmental responsibility;
- 1.3 encourage all interested parties, internal and external, to disseminate the ethics principles and conduct commitments expressed in this Ethics Code;



- 1.4 maintain a relationship with its competitors founded on the principles of honesty and respect, adopting explicit and clear rules about its competition procedures;
- 1.5 promote honest and fair negotiations, without receiving inappropriate advantage through manipulation, use of insider information and other practices of such nature;
- 1.6 register its reports and statements in a correct, consistent, accurate and complete way, without ambiguous information and make its ledgers available with full transparency to internal and external audits and relevant public agencies;
- 1.7 produce annual Social and Environmental Balance Sheet with broad internal participation, explaining its actions to promote environmental, social and cultural development, as well as the environmental, social and cultural consequences and impacts of its activities;
- 1.8 conduct a transparent, true and correct communication, easily understandable and accessible to all interested parties, and advertising based on the principles set forth in this Ethics Code;
- 1.9 keep ombudsman agencies as formal channels, among others, for receiving, routing and processing of opinions, suggestions, complaints, criticisms, and denunciations about ethics transgressions, from the various relationship groups of System, respecting the laws of the countries where it operates;
- 1.10 comply with and promote compliance with this Ethics Code by means of management and monitoring, at the corporate and local levels, promoting it permanently, with willingness to clarify questions and receive suggestions, and submit this Code and its practices to periodical evaluation processes.

COMMITMENT TO CONDUCT  
OF PETROBRAS SYSTEM

# 2

Regarding relation with  
its Employees,  
Petrobras System  
undertakes to:

- 2.1 promote working conditions which provide a balance between working, personal, and family life of all employees;
- 2.2 ensure safety and health at work, providing for that all necessary conditions and equipment;
- 2.3 provide formal listening channels to host and process its suggestions, for improvements of internal management processes;
- 2.4 ensure the availability and transparency of information affecting its employees, preserving privacy rights in the management of their relevant medical, personal and functional information;
- 2.5 acknowledge the right of free association of its employees, respecting and valuing their participation in unions and not doing any kind of negative discrimination against unionized employees;

- 2.6 pursuit permanent reconciliation of interests and realization of rights, through institutional channels of negotiation, in its relationship with the unions representing the employees;
- 2.7 ensure the right of refusal of employees, accepting the suspension of their activities, after taking corrective action and reporting it immediately to their supervisor, if there is a situation of serious and imminent risk to life or physical integrity of employee and/or its colleagues;
- 2.8 respect and promote diversity and combat all forms of prejudice and discrimination, through transparent admission, training, career advancement, rise to positions, and resignation policy. No employee or potential employee will receive discriminatory treatment a result of its race, skin color, ethnic origin, nationality, social status, age, religion, gender, sexual orientation, personal appearance, physical, mental or psychological condition, marital status, belief, political opinion, or any other individual differentiation factor;
- 2.9 promote equal opportunities for all employees, in all policies, practices and procedures, use as sole criterion for professional growth the individual merit

based on assessment of performance, and ensure their right to know and be represented in the drafting of the functional evaluation and progress criteria;

- 2.10 develop a corporate culture which values the exchange and dissemination of knowledge, promote the continuous development of its employees and avoid resignations whenever possible, pursuing alternatives of technical-scientific retraining and replacement in area suitable to the situation of its employees, at any hierarchical level;
- 2.11 provide institutional guarantees and protect the confidentiality of all involved in ethics denunciations, aiming at preserve rights and protect the neutrality of decisions;
- 2.12 prepare its employees for retirement, as a way to invest in the continuity of their quality of life, by developing systematic activities of guidance and counseling, involving families in discussing the psychological and financial planning aspects, and promoting the internal promotion of knowledge to preserve System memory.

COMMITMENT TO CONDUCT  
OF PETROBRAS SYSTEM

# 3

Regarding relation with  
Petrobras System, its  
Employees undertake to:

- 3.1 perform with the maximum commitment, technical quality and diligence the obligations of its contract of employment, take the opportunities for ongoing training, systematically evaluate themselves and learn from their mistakes or others;
- 3.2 act in an honest, fair, dignified, courteous way, with availability and attention to all people with whom they relate, internally and externally, respecting any individual differences;
- 3.3 properly use internal channels to express opinions, suggestions, complaints, criticisms and denunciations, engaging in continuous improvement of processes and procedures of System;
- 3.4 do not to engage in any activity which conflicts with the interests of Petrobras System and communicate to superiors or to the Ombudsman Agencies any situation which may be an apparent or potential conflict of interest;



- 3.5 observe professional secrecy, except as authorized or required by law, preserve the interest of System whenever they arise, whether in public or private environment, and to ensure that everyone does it;
- 3.6 keep strategic information and those relating to acts or facts not yet disclosed to the market confidential, to which they have access, as well as ensure that others do the same, except when authorized or required by law;
- 3.7 ensure the proper use of the material and immaterial heritage of Petrobras System, by its legitimate purpose, also to preserve the image and reputation of the companies that comprise it and not use it to obtain any kind of personal advantage;
- 3.8 do not obtain inappropriate advantages arising from function or position they hold in companies of Petrobras System;
- 3.9 do not perform or submit to acts of prejudice, discrimination, threat, blackmail, perjury, moral or sexual harassment, or any other act contrary to the principles and commitments of this Ethics Code, and immediately report the transgressors;
- 3.10 respect intellectual property and recognize the merits related to the work done by colleagues, regardless of their function;
- 3.11 watch over, in exercising the right to strike, life, physical integrity and safety of people and facilities, and the preservation of the environment;
- 3.12 do not require nor imply, neither accept nor offer any favor, advantage, benefit, gift, gratuity, for themselves or any other person, in return to their professional activities, and they may accept or offer just promotional, public, not exclusive, without commercial value gifts in their relationships with groups out of System;
- 3.13 have personal appearance and attire consistent with the institutional and cultural environment in which they operate.

COMMITMENT TO CONDUCT  
OF PETROBRAS SYSTEM

# 4

Regarding relation with  
Suppliers, Service  
Providers and Trainees,  
Petrobras System  
undertakes to:

- 4.1 make available to employees of service providers and trainees of Petrobras System, when operating in its facilities, the same healthy and safe conditions at work offered to its employees, reserving the right to management of knowledge and information security of System;
- 4.2 require to the service providers that their employees comply with the ethics principles and commitments defined in this Code, while contracts with System companies are in force;
- 4.3 select and hire suppliers and service providers based on criteria strictly legal and technical of quality, cost and timeliness, and demand an ethics profile in their management and social and environmental responsibility practices, refusing unfair competition, child labor, forced or compulsory labor practices, and other practices contrary to the principles of this Code, including the production chain of such suppliers;
- 4.4 require trainees to respect the ethics principles and conduct commitments defined in this Code, while their contracts with companies of the System are in force.

COMMITMENT TO CONDUCT  
OF PETROBRAS SYSTEM

# 5

Regarding relation with  
Customers and Consumers,  
Petrobras System  
undertakes to:

- 5.1 offer good products and services, with advanced technology, at a transparent, efficient, effective, courteous and respectful service standard, aiming at the full satisfaction of its customers and consumers, for the maintenance of lasting relationships;
- 5.2 fix possible losses from damage under its responsibility to its consumers and customers, with the maximum agility, in enforceable deadlines.

COMMITMENT TO CONDUCT  
OF PETROBRAS SYSTEM

# 6

Regarding relation with  
Environment, and as  
proof of its responsibility  
concerning current  
and future generations,  
Petrobras System  
undertakes to:

- 6.1 conduct its business and activities with social and environmental responsibility, contributing to sustainable development;
- 6.2 maintain standards of excellence in environment, in order to ensure products and services proper to the expectations of its customers and to environmental legislation, in Brazil and in countries in which it operates;
- 6.3 contribute to the preservation and recovery of biodiversity, through the management of the potential impacts of its activities and projects to protect endangered species and areas;
- 6.4 clearly define its environmental sponsorship policies and programs, with budget allocation and management devices which ensure transparency and participation in their implementation;



- 6.5 develop programs to maximize its energy efficiency, and the use of renewable energies, aligning the interests of System and the sustainable development of the countries in which it operates;
- 6.6 invest in the sustainability of its projects, products and services, maximizing their benefits, and minimizing their adverse impacts and monitoring the entire lifecycle of its facilities, operations and products;
- 6.7 promote the sustainable use of water, oil, natural gas and energy; the reduction of consumption; the recycling of materials; the reduction of solid waste generation and the emission of pollutants gases;
- 6.8 maintain an environmental management system for continuous improvement of its processes, including the production chain and promote internal and external actions of environmental awareness;

- 6.9 identify, evaluate and manage its environmental liabilities, acting preventively and correctively in the solution of the problems which cause them;
- 6.10 communicate promptly to its consumers, customers, community and society about possible environmental damages, in the event of accidents;
- 6.11 provide to its consumers, customers, community, and society information about possible environmental damages resulting from bad use and about the final destination of its products.

COMMITMENT TO CONDUCT  
OF PETROBRAS SYSTEM

# 7

Regarding relation  
with the Communities,  
Petrobras System  
undertakes to:

- 7.1 keep permanent channels of communication and dialogue with the communities where it operates, with the purpose to prevent, monitor, evaluate and manage the impacts of its activities;
- 7.2 participate of the elaboration and implementation of projects jointly with local authorities, keeping working groups with the participation of members of the community, creating long-term partnerships, empowering leaders, considering their demands and expectations, and respecting their diversity;
- 7.3 adopt a transparent and democratic process of sponsorship, through public selection of social, environmental, and cultural projects;
- 7.4 promote voluntary initiatives of its employees, aiming at mobilize and improve its resources and skills in an integrated and systemic manner, for the benefit of the communities in which it operates;
- 7.5 fix possible losses from damage under its responsibility to affected people or communities, with the maximum agility.

COMMITMENT TO CONDUCT  
OF PETROBRAS SYSTEM

# 8

Regarding relation with  
Society, Government  
and State,  
Petrobras System  
undertakes to:

- 8.1 act in order to contribute decisively to the economic, technological, environmental, social, political, and cultural development of Brazil and of countries in which it operates;
- 8.2 perform social influence, in all media, as part of the exercise of its economic, environmental, social, cultural, and political responsibility to Brazil and the countries in which it operates;
- 8.3 contribute to the Government in the preparation and implementation of general public policies and programs and specific projects committed to sustainable development;
- 8.4 value the involvement and commitment of its employees, in debates and proposals elaboration, aiming at facilitate and strengthen social nature designs, in actions articulated with public and private, governmental and non-governmental bodies;

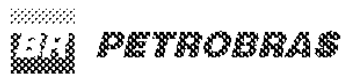
- 8.5 encourage social awareness and the exercise of active citizenship of its employees, through its institutional example and the development of education programs for citizenship;
- 8.6 encourage and sponsor designs of development of researches and technology for sustainable development, interacting actively with the academic and scientific community;
- 8.7 interact in partnership with educational institutions, for the improvement of qualification of the labor force in the sector of oil, natural gas and energy;
- 8.8 refuse any corrupt and bribery practices, keeping formal procedures for control and consequences of any transgressions;
- 8.9 refuse support and contributions to political parties or political campaigns of candidates for elective offices;
- 8.10 accept and contribute with inspections and controls of the Government.

## COMPLEMENTARY PROVISIONS



- I. This Ethics Code covers the members of Boards of Directors, Fiscal Councils, Executive Boards, the occupants of managerial functions, employees, trainees and service providers of Petrobras system, as individual and collective commitment of each and all of them to comply with it and promote its compliance in all actions of the productive chain of Petrobras System and in its relations with all interested parties.
- II. The employees of Petrobras System will formally acknowledge this Code, which will be widely disseminated through printed and electronic means.
- III. The violation of the principles and commitments expressed in this Code may result in the adoption of disciplinary measures, in accordance with the standards of the companies comprising Petrobras System.
- IV. Petrobras System will submit this Ethics Code to periodic reviews, with transparency and interested parties participation.
- V. Ombudsman agencies or instances eventually responsible for processing complaints of ethics transgressions will preserve the anonymity of the complainant, in order to avoid retaliation against them and it will notice them of the measures taken.

Version approved by the Board of Petrobras on 11/09/2006, Minutes DE 4.613, Sheet No 1109; and by the Board of Directors on 11/29/2006, Minutes CA 1.281, Sheet No 35.

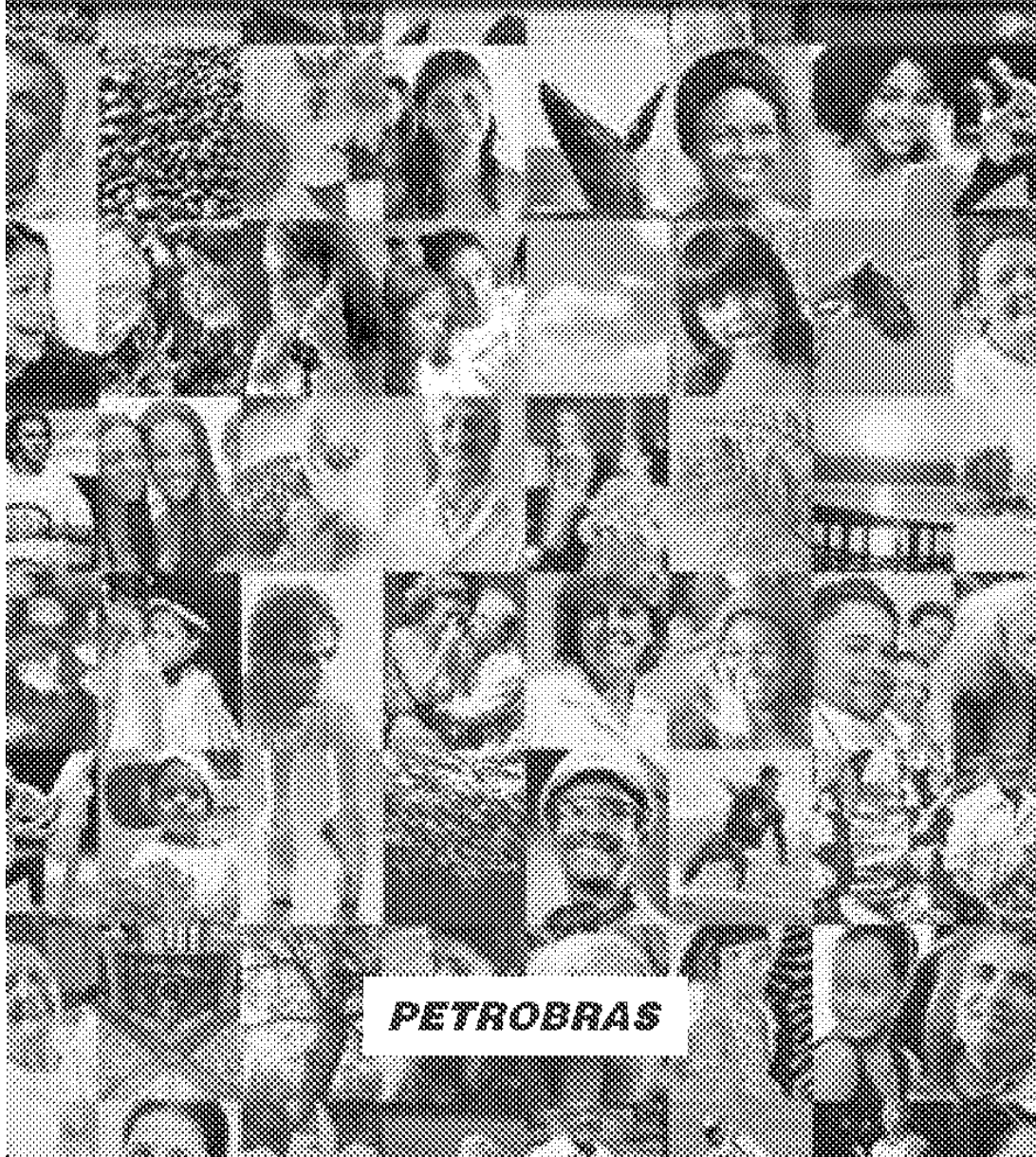


CONFIDENTIAL CBR\_PETRO\_000133366



# CÓDIGO DE ÉTICA

DEL SISTEMA PETROBRAS



**PETROBRAS**

CONFIDENTIAL CBR\_PETRO\_000133325

# CÓDIGO DE ÉTICA

ESTA ES NUESTRA  
MANERA DE SER



# SUMARIO

Principios Éticos del Sistema Petrobras	06
Compromisos de Conducta del Sistema Petrobras	11
1. En el ejercicio de la Gobernanza Corporativa, el Sistema Petrobras se compromete a:	12
2. En la relación con sus Empleados, el Sistema Petrobras se compromete a:	16
3. En las relaciones con el Sistema Petrobras, sus Empleados se comprometen a:	20
4. En las relaciones con Abastecedores, Prestadores de Servicios y Pasantes, el Sistema Petrobras se compromete a:	24
5. En las relaciones con Clientes y Consumidores, el Sistema Petrobras se compromete a:	26
6. En las relaciones con el Medio Ambiente, y como demostración de su responsabilidad frente a las generaciones actuales y futuras, el Sistema Petrobras se compromete a:	28
7. En las relaciones con las Comunidades, el Sistema Petrobras se compromete a:	32
8. En las relaciones con la Sociedad, el Gobierno y el Estado, el Sistema Petrobras se compromete a:	34
Disposiciones Complementarias	37

# PRINCIPIOS ÉTICOS DEL SISTEMA PETROBRAS

- i. El respeto a la vida y a todos los seres humanos, la integridad, la verdad, la honestidad, la justicia, la equidad, la lealtad institucional, la responsabilidad, el celo, el mérito, la transparencia, la legalidad, la impersonalidad, la coherencia entre el discurso y la práctica, son los principios éticos que orientan las acciones del Sistema Petrobras.
- ii. El respeto a la vida en todas sus formas, manifestaciones y situaciones es el principio ético fundamental y orienta el cuidado con la calidad de vida, la salud, el medio ambiente y la seguridad en el Sistema Petrobras.
- iii. La honestidad, la integridad, la justicia, la equidad, la verdad, la coherencia entre el discurso y la práctica son referencias a las relaciones del Sistema Petrobras con personas e instituciones, y se manifiestan en el respeto a las diferencias y diversidades de condición étnica, religiosa, social, cultural, lingüística, política, estética, de edad, física, mental y psíquica, de género, de orientación sexual y otras.

- IV. La lealtad al Sistema Petrobras se manifiesta como responsabilidad, celo y disciplina en el trabajo y en el tratamiento con todos los seres humanos, y con los bienes materiales e inmateriales del Sistema, en el cumplimiento de su Misión, Visión y Valores, en conductas compatibles con la efectucción de su Estrategia Corporativa, con espíritu emprendedor y comprometido con la superación de desafíos.
- V. La transparencia se manifiesta como respeto al interés público y a todas las partes interesadas y se realiza de modo compatible con los derechos de privacidad personal y con la Política de Seguridad de la Información del Sistema Petrobras.
- VI. El mérito es el criterio decisivo para todas las formas de reconocimiento, recompensa, evaluación e inversión en personas, siendo el favoritismo y el nepotismo inaceptables en el Sistema Petrobras.
- VII. La legalidad y la impersonalidad son principios constitucionales que preservan el orden jurídico y determinan la distinción entre intereses personales y profesionales en la conducta de los miembros de los Consejos de Administración, de los Consejos Fiscales y de los Directorios y de los empleados del Sistema Petrobras.
- VIII. El Sistema Petrobras se compromete con el respeto y la valoración de las personas en su diversidad y dignidad, en relaciones de trabajo justas, en un ambiente saludable, con confianza mutua, cooperación y solidaridad.
- IX. El Sistema Petrobras desarrolla las actividades de su negocio reconociendo y valorando los intereses y derechos de todas las partes interesadas.
- X. El Sistema Petrobras actúa proactivamente en búsqueda de niveles crecientes de competitividad, excelencia y rentabilidad, con responsabilidad social y ambiental, aportando para el desarrollo sostenible de Brasil y de los países donde actúa.

- XI. El Sistema Petrobras busca la excelencia en calidad, seguridad, medio ambiente, salud y recursos humanos, y para eso promueve la educación, capacitación y comprometimiento de los empleados, involucrando a las partes interesadas.
- XII. El Sistema Petrobras reconoce y respeta las particularidades legales, sociales y culturales de los diversos ambientes, regiones y países en los que actúa, adoptando siempre el criterio de máxima realización de los derechos, cumplimiento de la ley, de las normas y de los procedimientos internos.

# COMPROMISOS DE CONDUCTA DEL SISTEMA PETROBRAS



COMPROMISOS DE CONDUCTA  
DEL SISTEMA PETROBRAS

# 1

En el ejercicio de la  
Gobernanza Corporativa,  
el Sistema Petrobras se  
compromete a:

- 1.1 buscar el equilibrio del poder entre la Alta Administración (Consejos de Administración y Directivos Ejecutivos) y la participación de los accionistas, incluso los minoritarios, teniendo en vista la compatibilización de los objetivos estratégicos del Sistema con los intereses y derechos de todas las partes interesadas;
- 1.2 dirigir sus negocios con transparencia e integridad, cultivando la credibilidad junto a sus accionistas, inversionistas, empleados, abastecedores, clientes, consumidores, poder público, prensa, comunidades donde actúa y sociedad en general, buscando alcanzar crecimiento y rentabilidad con responsabilidad social y ambiental;
- 1.3 estimular todas las partes interesadas, internas y externas, a diseminar los principios éticos y los compromisos de conducta expresos en este Código de Ética;
- 1.4 mantener una relación con sus competidores fundada en los principios de la honestidad y respeto, adoptando reglas explícitas y declaradas sobre sus procedimientos de competencia;



- 1.5 promover negociaciones honestas y justas, sin proporcionar ventajas indebidas por medio de manipulación, uso de información privilegiada y otros artificios de esa naturaleza;
- 1.6 registrar sus informes y balances de modo correcto, consistente, exacto y completo, sin ambigüedad de informaciones y disponer sus libros con entera transparencia a las auditorías interna y externa y a los órganos públicos competentes;
- 1.7 producir Balance Social y Ambiental anual con amplia participación interna, explicitando sus acciones de promoción y desarrollo ambiental, social y cultural, así como las consecuencias e impactos ambientales, sociales y culturales de sus actividades;
- 1.8 realizar una comunicación transparente, verdadera y correcta, fácilmente comprensible y accesible a todos los interesados, y una publicidad fundada en los principios establecidos en este Código de Ética;

- 1.9 mantener canales formales de comunicación (Defensores del Pueblo), entre otros, para recepción, envío y procesamiento de opiniones, sugerencias, reclamaciones, críticas y denuncias sobre transgresiones éticas, provenientes de los diversos públicos de relación del Sistema, respetándose la legislación de los países donde actúa;
- 1.10 cumplir y promover el cumplimiento de este Código de Ética mediante dispositivos de gestión y monitoreo, en ámbito corporativo y local, divulgándolo permanentemente, con vistas a la aclaración de dudas y acogimiento de sugerencias, y someter este Código y sus prácticas a procesos de evaluación periódica.

COMPROMISOS DE CONDUCTA  
DEL SISTEMA PETROBRAS

# 2

En la relación con  
sus Empleados,  
el Sistema Petrobras  
se compromete a:

- 2.1 promover condiciones de trabajo que propicien el equilibrio entre la vida profesional, personal y familiar de todos los empleados;
- 2.2 garantizar seguridad y salud en el trabajo, disponiendo para eso todas las condiciones y equipos necesarios;
- 2.3 disponer canales formales de escucha para acoger y procesar sus sugerencias, con vistas a mejoras de los procesos internos de gestión;
- 2.4 asegurar la disponibilidad y transparencia de las informaciones que afectan sus empleados, preservando los derechos de privacidad en el manejo de informaciones médicas, funcionales y personales a ellos pertinentes;
- 2.5 reconocer el derecho de libre asociación de sus empleados, respetar y valorar su participación en sindicatos y no practicar cualquier tipo de discriminación negativa con relación a sus empleados sindicados;

- 2.6 buscar la permanente conciliación de intereses y realización de derechos, por medio de canales institucionales de negociación, en su relación con las entidades sindicales representativas de los empleados;
- 2.7 asegurar el derecho de rechazo de sus empleados, aceptando la suspensión de sus actividades, después de haber tomado las medidas correctivas y comunicado el hecho inmediatamente a su superior jerárquico, en caso de que haya situación de riesgo grave e inminente a la vida o a su integridad física y/o de sus colegas de trabajo;
- 2.8 respetar y promover la diversidad y combatir todas las formas de prejuicio y discriminación, por medio de política transparente de admisión, entrenamiento, promoción en la carrera, ascensión a cargos y despido. Ningún empleado o potencial empleado recibirá trato discriminatorio en consecuencia de su raza, color de piel, origen étnico, nacionalidad, posición social, edad, religión, género, orientación sexual, estética personal, condición física, mental o psíquica, estado civil, opinión, convicción política, o cualquier otro factor de diferenciación individual;
- 2.9 promover la igualdad de oportunidades para todos los empleados, en todas las

políticas, prácticas y procedimientos, usar como criterio exclusivo de ascensión profesional el mérito individual pautado por la evaluación de desempeño, y garantizar su derecho de conocer y estar representado en la elaboración de los criterios de evaluación y progresión funcional;

- 2.10 desarrollar una cultura empresarial que valora el intercambio y la diseminación de conocimientos, promover la capacitación continuada de sus empleados y evitar despidos, siempre que posible, buscando alternativas de actualización profesional técnico científica y recolocación en área que se presente más adecuada a la situación de sus empleados, en cualquier nivel jerárquico;
- 2.11 suministrar garantías institucionales y proteger la confidencialidad de todos los involucrados en denuncias éticas, con vistas a preservar derechos y proteger la neutralidad de las decisiones;
- 2.12 preparar sus empleados para la jubilación, como forma de invertir en la prosecución de su calidad de vida, desarrollando actividades sistemáticas de orientación y consejos, involucrando a familiares en la discusión de los aspectos psicológicos y de planificación financiera, y promoviendo la diseminación interna del conocimiento para preservar la memoria del Sistema.

COMPROMISOS DE CONDUCTA  
DEL SISTEMA PETROBRAS

# 3

**En las relaciones con  
el Sistema Petrobras  
sus Empleados se  
comprometen a:**

- 3.1** cumplir con el máximo empeño, calidad técnica y asiduidad las obligaciones de su contrato de trabajo, aprovechar las oportunidades de capacitación permanente, evaluarse sistemáticamente y aprender con sus errores o de terceros;
- 3.2** actuar de forma honesta, justa, digna, atenta, con disponibilidad y atención a todas las personas con las que se relacionan, internamente y externamente, respetando cualesquiera diferencias individuales;
- 3.3** utilizar adecuadamente los canales internos para manifestar opiniones, sugerencias, reclamaciones, críticas y denuncias, empeñándose en la mejoría continuada de los procesos y procedimientos del Sistema;
- 3.4** no involucrarse en cualquier actividad que sea opuesta a los intereses del Sistema Petrobras y comunicar a los superiores jerárquicos o a las Ouvidorias cualquier situación que configure aparente o potencial conflicto de intereses;

- 3.5 respetar el sigilo profesional, excepto cuando autorizado o exigido por ley, preservar los intereses del Sistema siempre que se manifiesten, en ambiente público o privado, y celar para que todos lo hagan;
- 3.6 guardar sigilo de las informaciones estratégicas y de las relativas a actos o hechos relevantes aún no divulgados al mercado, a las cuales hayan tenido acceso, así como celar para que otros también lo hagan, excepto cuando autorizados o exigido por ley;
- 3.7 asegurar el uso adecuado del patrimonio material e inmaterial del Sistema Petrobras, atendiendo a su legítimo propósito, incluso para preservar la imagen y reputación de las empresas que lo componen y no utilizarlo para lograr cualquier tipo de ventaja personal;
- 3.8 no lograr ventajas indebidas consecuentes de función o cargo que ocupan en las empresas del Sistema Petrobras;
- 3.9 no practicar ni someterse a actos de prejuicio, discriminación, amenaza, chantaje, falso testimonio, asedio moral, asedio sexual o cualquier otro acto contrario a los principios y compromisos de este Código de Ética, y denunciar inmediatamente los transgresores;
- 3.10 respetar la propiedad intelectual y reconocer los méritos relativos a los trabajos desarrollados por colegas, independientemente de su posición jerárquica;
- 3.11 celar, en el ejercicio del derecho de huelga, por la defensa de la vida, por la integridad física y seguridad de las personas e instalaciones y por la preservación del medio ambiente;
- 3.12 no exigir, ni insinuar, ni aceptar, ni ofrecer cualquier tipo de favor, ventaja, beneficio, donación, gratificación, para sí o para cualquier otra persona, como contrapartida a sus actividades profesionales, pudiendo aceptar u ofrecer regalos solamente promocionales, públicos, no exclusivos, sin valor comercial, en sus relaciones con público externo al Sistema;
- 3.13 cultivar una apariencia personal y vestuario compatibles con el ambiente institucional y cultural en que actúan.



COMPROMISOS DE CONDUCTA  
DEL SISTEMA PETROBRAS

# 4

En las relaciones  
con Abastecedores,  
Prestadores de Servicios  
y Pasantes, el  
Sistema Petrobras se  
compromete a:

- 4.1 disponer para los empleados de empresas prestadoras de servicios y para los pasantes del Sistema Petrobras, cuando estén en actividad en sus instalaciones, las mismas condiciones saludables y seguras en el trabajo ofrecidas a sus empleados, reservándose el derecho de gestión del conocimiento y de seguridad de la información del Sistema;
- 4.2 requerir de las empresas prestadoras de servicios que sus empleados respeten los principios éticos y los compromisos de conducta definidos en este Código, mientras perduren los contratos con las empresas del Sistema;
- 4.3 seleccionar y contratar abastecedores y prestadores de servicios basándose en criterios estrictamente legales y técnicos de calidad, coste y puntualidad, y exigir un perfil ético en sus prácticas de gestión y de responsabilidad social y ambiental, rechazando prácticas de competencia desleal, trabajo infantil, trabajo forzado o compulsorio, y otras prácticas contrarias a los principios de este Código, incluso en la cadena productiva de tales abastecedores;
- 4.4 exigir de los pasantes que respeten los principios éticos y los compromisos de conducta definidos en este Código, mientras perduren sus contratos con las empresas del Sistema.

COMPROMISOS DE CONDUCTA  
DEL SISTEMA PETROBRAS

# 5

En las relaciones con  
Clientes y Consumidores,  
el Sistema Petrobras se  
compromete a:

- 5.1 ofrecer productos y servicios de calidad, con tecnología avanzada, con una calidad de servicio transparente, eficiente, eficaz, cuidadoso y respetuoso, con vistas a la plena satisfacción de sus clientes y consumidores, para el mantenimiento de relaciones duraderas;
- 5.2 reparar posibles pérdidas o perjuicios consecuentes de daños causados bajo su responsabilidad a sus consumidores y clientes, con la máxima agilidad, en plazos exequibles.

COMPROMISOS DE CONDUCTA  
DEL SISTEMA PETROBRAS

# 6

**En las relaciones con el Medio Ambiente, y como demostración de su responsabilidad frente a las generaciones actuales y futuras, el Sistema Petrobras se compromete a:**

- 6.1 dirigir sus negocios y actividades con responsabilidad social y ambiental, aportando para el desarrollo sostenible;
- 6.2 mantener calidades de excelencia en medio ambiente, a fin de garantizar productos y servicios adecuados a las expectativas de sus clientes y a la legislación ambiental, en Brasil y en los países donde actúa;
- 6.3 aportar para la preservación y la recuperación de la biodiversidad, por medio de la gestión de los impactos potenciales de sus actividades y proyectos de protección a áreas y a especies amenazadas;
- 6.4 definir de modo claro sus políticas y programas de patrocinio ambiental, con dotación presupuestaria y con dispositivos de gestión que aseguren transparencia y participación en su ejecución;

- 6.5 desarrollar programas con vistas a maximizar su eficiencia energética, y el uso de energías renovables, compatibilizando los intereses del Sistema y el desarrollo sostenible de los países en los que actúa;
- 6.6 invertir en la sustentabilidad de sus proyectos, productos y servicios, maximizando sus beneficios, en las dimensiones económica, social, ambiental y minimizando sus impactos adversos y monitorear todo el ciclo de vida de sus instalaciones, operaciones y productos;
- 6.7 promover el uso sostenible de agua, petróleo, gas natural y energía; la reducción del consumo; el reciclaje de materiales; la reducción de la generación de residuos sólidos y de la emisión de gases contaminantes;
- 6.8 mantener un sistema de gestión ambiental para mejoría continuada de sus procesos, incluyendo la cadena productiva y promover acciones internas y externas de concientización ambiental;
- 6.9 identificar, evaluar y administrar sus pasivos ambientales actuando preventivamente y correctivamente en la solución de los problemas que los causaron;
- 6.10 comunicar prontamente a sus consumidores, clientes, comunidad y sociedad acerca de eventuales daños ambientales, si ocurren accidentes;
- 6.11 suministrar a sus consumidores, clientes, comunidad y sociedad informaciones sobre eventuales daños ambientales resultantes del mal uso y sobre el destino final de sus productos.

COMPROMISOS DE CONDUCTA  
DEL SISTEMA PETROBRAS

# 7

En las relaciones con  
las Comunidades, el  
Sistema Petrobras se  
compromete a:

- 7.1 mantener canales permanentes de comunicación y diálogo con las comunidades donde actúa, con el objetivo de precaver, monitorear, evaluar y controlar los impactos de sus actividades;
- 7.2 participar de la elaboración e implantación de proyectos en conjunto con entidades locales, manteniendo grupos de trabajo con la participación de integrantes de la comunidad, cultivando sociedades de largo plazo, capacitando liderazgos, considerando sus demandas y expectativas, y respetando sus diversidades;
- 7.3 adoptar un proceso transparente y democrático de patrocinio, por medio de selección pública de proyectos sociales, ambientales y culturales;
- 7.4 promover iniciativas de voluntariado de sus empleados, con el objetivo de movilizar y potenciar sus recursos y capacidades de forma integrada y sistémica, en beneficio de las comunidades en que actúa;
- 7.5 reparar posibles pérdidas o perjuicios consecuentes de daños causados bajo su responsabilidad a las personas o comunidades afectadas, con la máxima agilidad.



COMPROMISOS DE CONDUCTA  
DEL SISTEMA PETROBRAS

# 8

En las relaciones  
con la Sociedad, el  
Gobierno y el Estado,  
el Sistema Petrobras  
se compromete a:

- 8.1 actuar de modo que aporte decisivamente para el desarrollo económico, tecnológico, ambiental, social, político y cultural de Brasil y de los países donde actúa;
- 8.2 ejercer influencia social, en todos los medios, como parte del ejercicio de su responsabilidad económica, ambiental, social, política y cultural para con Brasil y los países en los que actúa;
- 8.3 aportar con el poder público en la elaboración y ejecución de políticas públicas generales y de programas y proyectos específicos comprometidos con el desarrollo sostenible;
- 8.4 valorar el involucramiento y el comprometimiento de sus empleados, en debates y elaboración de propuestas, teniendo en vista hacer viable y fortalecer proyectos de carácter social, en acciones articuladas con órganos públicos y privados, gubernamentales y no gubernamentales;

- 8.5 estimular la concienciación social y el ejercicio de la ciudadanía activa por parte de todos sus empleados, por medio de su ejemplo institucional y por el desarrollo de programas de educación para la ciudadanía;
- 8.6 estimular y patrocinar proyectos de desarrollo de investigaciones y tecnología para el desarrollo sostenible, interactuando activamente con la comunidad académica y científica;
- 8.7 interactuar en sociedad con instituciones de enseñanza, para la mejoría de la calificación de la mano de obra en el sector de petróleo, gas natural y energía;
- 8.8 rechazar cualesquiera prácticas de corrupción y cohecho, manteniendo procedimientos formales de control y de consecuencias sobre eventuales transgresiones;
- 8.9 rechazar apoyo y contribuciones para partidos políticos o campañas políticas de candidatos a cargos electivos;
- 8.10 acatar y aportar con fiscalizaciones y controles del poder público.

## DISPOSICIONES COMPLEMENTARIAS

- I. El presente Código de Ética abarca los miembros de los Consejos de Administración, de los Consejos Fiscales, de los Directorios, los ocupantes de funciones gerenciales, los empleados, los pasantes y los prestadores de servicios del Sistema Petrobras, constituyendo compromiso individual y colectivo de todos y de cada uno de ellos cumplirlo y promover su cumplimiento, en todas las acciones de la cadena productiva del Sistema Petrobras y en sus relaciones con todas las partes interesadas.
- Los empleados del Sistema Petrobras tomarán conocimiento formal de este Código, que será ampliamente divulgado, por medio impreso y electrónico.
- El incumplimiento de los principios y compromisos expresos en este Código podrá implicar en la adopción de medidas disciplinarias, según las normas de las empresas que componen el Sistema Petrobras.
- IV. El Sistema Petrobras someterá este Código de Ética a revisiones periódicas, con transparencia y participación de las partes interesadas.

- V. Los Defensores del Pueblo o instancias eventualmente responsables del procesamiento de denuncias de transgresiones éticas, preservarán el anonimato del denunciante, de modo a evitar retaliaciones contra el mismo y le darán conocimiento de las medidas adoptadas.

Versión aprobada por la Dirección Ejecutiva de Petrobras del 9/11/2006, Acta DE 4.613, Pauta nº 1109; y por el Consejo de Administración del 29/11/2006, Acta CA 1.281, Pauta nº 35.



**PETROBRAS**



CONFIDENTIAL CBR\_PETRO\_000133345



**TAB K**

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

-----x

In Re

PETROBRAS SECURITIES LITIGATION

This Document Applies to: All Cases

Cast No. 14-cv-9662

-----x

C O N F I D E N T I A L

VIDEOTAPED DEPOSITION OF

MARCOS PANASSOL

Tuesday, April 19, 2016

New York, New York

REPORTED BY:

Christina Diaz, CRR, RMR, CSR, CLR

Job Number: 12131

HUDSON REPORTING & VIDEO

1-800-310-1769

1 M. Panassol - Confidential

2 allegations -- of the facts listed under 5(a)?

3 A. So during an audit committee meeting  
4 during 2013, the internal audit presented the  
5 results of its work. This was all work  
6 performed on the internal audit, and that's  
7 when I became aware of that matter.

8 Q. And were you part of the -- was  
9 there a meeting that you attended with respect  
10 to that presentation?

11 A. The internal audit has meetings with  
12 the audit committee every quarter in which  
13 they present the status of the work they are  
14 doing. And I participate in all of those  
15 meetings. So that was one of the meetings  
16 that I participated in.

17 Q. Did the fact that -- in connection  
18 with the 2013 audit, did the fact that  
19 Petrobras reduced the value of the contract  
20 with Odebrecht from U.S. 800 million to 400  
21 million cause any concern to you at the time?

22 A. When the facts were presented, they  
23 were all concluded and this was the company's  
24 internal control environment working. So  
25 internal audit, as part of their work, audited

**TAB L**



FTI CONSULTING

# Expert Report of Gary B. Goolsby

---

In Re: Petrobras Securities Litigation  
Case No. 14-cv-9662 (JSR)

**May 27, 2016**

*Confidential Pursuant to Protective Order*

## EXECUTIVE SUMMARY

13. For the reasons articulated in detail below, based on my 40 plus years of experience, knowledge of auditing large, complex international companies and my team's and my review of the relevant documentary evidence, I have concluded that PwC's work in each of the areas that I was asked to assess, complied with professional standards. In fact, I found PwC's audit engagements to be planned and executed with the level of due care and professional skepticism that I would expect from competent audit teams. Petrobras is an extremely large international, integrated oil and gas company with complex operations based in Brazil, which required skilled audit teams focusing on the right areas, which was achieved for the 2012 and 2013 audits. When complicated issues arose, the engagement teams (on multiple occasions) consulted with senior internal PwC partners, PwC specialists and even the SEC's Chief Accountant. Based on my experience, this is one of the hallmarks of quality audit teams that are striving to get it right. Further, in my opinion, PwC's audit teams in no way caused the delay by Petrobras in filing its regulatory reports; rather, PwC performed its audit work in a timely manner but could only audit information as presented by Petrobras management who are responsible for the financial statements. As the external auditor, PwC could not insert itself in the financial reporting process in an effort to accelerate the completion process.
14. At the heart of Plaintiffs' claims is a massive collusive fraud that infected many Brazilian companies, including Petrobras. I understand that between 2004 and not later than April 2012, a group of approximately 27 companies (cartel members) secretly colluded to obtain contracts with Petrobras and certain of its subsidiaries. Such collusion included charging the Company approximately 3% of the contract value, which flowed through as illicit payments to political parties, elected officials or other public officials, individual contractor personnel, former Petrobras personnel and other individuals involved in the scheme (the "Payment Scheme"). In addition to the Payment Scheme, there were instances of other contractors and suppliers that allegedly charged the Company amounts that flowed

through as illicit payments to former Petrobras personnel (the “Unrelated Payments Scheme”). The Payment Scheme and Unrelated Payments Scheme are collectively referred to herein as the “Illicit Payment Schemes.”

15. The PwC audit teams performed audits for 2012 and 2013 that complied with PCAOB standards; given the nature of the secret criminal schemes, the audits did not, nor would have been expected to, detect the Illicit Payment Schemes. The schemes spanned the better part of a decade (2004 through no later than April 2012) and were occurring during the tenure of two “Big 4” audit firms that preceded PwC. They went undetected by each of Petrobras’s auditors (E&Y for approximately two years, KPMG for six years and PwC *for approximately one quarter* (if contracts were even corrupted during PwC’s engagement)). This fact speaks about the ability of reputable external auditors to detect these schemes while performing the audits of Petrobras’s financial statements pursuant to professional standards. Based on my experience, I have concluded that the Illicit Payment Schemes were not possible to detect through an audit conducted under PCAOB standards because: a) they were executed by concealment and collusion, b) the improper payments made to politicians, cartel members and former Petrobras employees were not reflected on Petrobras’s books and were immaterial to the Company’s financial statements and c) the Company’s former external auditors and its regulators, including the Tribunal de Contas da União (“TCU”),<sup>3</sup> and Controladoria Geral da União (“CGU”),<sup>4</sup> did not detect the secret criminal scheme. A glaring omission in Mr. Devor’s Report is his silence regarding the massive collusive nature of the Illicit Payment Schemes, the extreme difficulty of detecting such secret criminal activity pursuant to PCAOB standards and what audit procedures he thinks may have detected the secret scheme.

16. Plaintiffs and Mr. Devor point to media and regulatory reports and suggest that they represented “red flags” that should have caused PwC to detect the secret fraud. However, the lion’s share of these media and regulatory reports allege mismanagement or that

<sup>3</sup> The TCU is an auxiliary Legislative agency that audits the accounts of administrators and other persons responsible for federal public funds, assets, and other moneys. TCU website, <http://portal.tcu.gov.br/cidadao/cidadao.htm>.

<sup>4</sup> The CGU is an Executive agency that directly reports to the President and is responsible for monitoring and overseeing the protection of public patrimony and increasing the transparency of the Executive branch through internal control activities, public audits, preventing and combating corruption and serving as a general ombudsman. <http://www.cgu.gov.br/sobre/institucional>.

Petrobras overpaid for certain assets – not that the Company was engaged in fraud or other illegal acts. Auditors are not expected to audit and report on the general efficiency or soundness of management’s business decisions; rather, auditors focus on whether a company’s financial statements properly reflect, in all material respects, the company’s transactions and financial position, and whether ICFR is operating effectively, as required by the standards. In those few instances where an illegal act was alleged, PwC responded as I would expect and in accordance with PCAOB standards. Further, the PwC audit teams performed the 2012 and 2013 audits with knowledge of the public and regulatory information, as well as internal investigations, and factored such knowledge into the scope of the audit plans pursuant to professional auditing standards.

17. Plaintiffs and Mr. Devor also assert that PwC should have done more audit work because certain of Petrobras’s projects (e.g., RNEST and Comperj) were delayed and apparently over-budget. But large construction type contracts of this nature commonly experience these issues. This can be even more prevalent in entities, like Petrobras, that are controlled by the Brazilian federal government. Petrobras’s public filings disclose that the Brazilian government may pursue certain macroeconomic and social objectives through the Company that may have a material adverse effect on its financial results or financial position.<sup>5</sup> As a result, in-country projects, like Comperj and RNEST, may be built with macroeconomic and social objectives that result in additional costs to the Company. In any event, the proper way for an auditor to address costs incurred for PP&E is by testing internal controls (including those related to procurement), vouching costs to underlying invoices and proper approvals and through impairment testing. Based on my review of the audit workpapers, PwC performed these procedures as I would expect and in compliance with PCAOB standards.

18. When assessing assets for impairment, companies need to determine the appropriate level to group assets in cash-generating units (“CGUI”). Plaintiffs and Mr. Devor contend that Petrobras’s inclusion of the Brazilian refinery assets as one CGUI was improper and done to avoid write-downs of amounts invested in Comperj and RNEST. While the accounting standards provide guidance regarding how to determine CGUIs, much is subject to

---

<sup>5</sup> See, e.g., 2013 Form 20-F at 13.



management's judgment. This judgment by Petrobras's management was reasonable and supported by the relevant accounting standards, particularly considering that Petrobras was controlled by the Brazilian government which drove the operational agenda for the Company's refineries. The fact that Plaintiffs and Mr. Devor's judgment on this point is different than that of many other qualified professionals (including Petrobras's management, multiple senior PwC professionals, and me) does not support a position that PwC's evaluation was in any way flawed. In fact, disaggregating Comperj and RNEST from the refining CGUI, prior to the decision in 2014 by Petrobras to discontinue construction, would have been misleading and inappropriate.

19. After the Illicit Payment Schemes were revealed in October 2014, and assessed thereafter, Petrobras recorded a write-off that comprised its estimate of the illicit schemes' financial statement impact. Because the third-party contractors used Petrobras's contract payments to flow through improper payments to politicians, cartel members and former Petrobras employees, these payments were not separately reflected on Petrobras's books. Consequently, to later determine these amounts for accounting purposes, management had to estimate the amount paid by the contractors to the recipients of the illicit payments. Clearly, the situation was unique and required judgment as to the determination of a methodology to estimate the improper payments; I found the Company's approach to be appropriate, supportable and consistent with accounting standards.
20. Due to the impact of these schemes and a number of adverse economic factors, during the fourth quarter of 2014, Petrobras management decided to cease construction of the Comperj and RNEST Phase II projects.<sup>6</sup> This prompted the Company to remove these projects from the single refining CGUI and assess them for impairment on a stand-alone basis. As a result of this decision and the economic environment (e.g., the price of a barrel of oil dropped from \$105 as of June 2014 to \$54 as of December 2014), among other factors, Petrobras recorded a fourth quarter 2014 impairment charge and reduced the recorded value of these assets.

---

<sup>6</sup> Within this report, references to ceasing construction of RNEST refers to RNEST Phase II.

21. Plaintiffs and Mr. Devor argue that these two charges (the write-off of illicit payments and the impairment charge) were inappropriately bifurcated and should have been recorded as one charge. I disagree. The accounting for the improper payments and impairment are two separate accounting issues driven by different economic circumstances and should not be aggregated as argued by Plaintiffs and Mr. Devor. To do so would result in inappropriate accounting and disclosure. My conclusion today, and PwC's conclusion at the time, are supported by the fact that the SEC did not object to the Company's approach; based on my experience, the SEC would have clearly communicated any objection.
22. In short, as discussed further below, I disagree with Plaintiffs' and Mr. Devor's views, which are not well grounded in audit and accounting standards.

## **RELEVANT BACKGROUND CONSIDERED IN MY ANALYSIS**

### **Overview of Petrobras**<sup>7</sup>

23. Petrobras is an integrated oil and gas company and is the largest corporation in Brazil and accounts for the majority of Brazil's oil and gas production. Petrobras has significant operations outside of Brazil as well. During the Relevant Period,<sup>8</sup> the Company operated in 17 countries and included the following operations by region:
- South American operations extended from exploration and production to refining, marketing, retail services, natural gas and electricity power plants;
  - North American operations consisted of production of oil and gas and refining in the United States (this includes the Pasadena refinery located near Houston, Texas);
  - African operations included production of oil in Angola and Nigeria and oil and gas exploration in other African countries; and
  - Asian operations consisted of refining in Japan.

---

<sup>7</sup> Unless otherwise indicated, the source of information in this section is the 2013 Form 20-F at 22-23.

<sup>8</sup> The time period most relevant to my engagement is from January 16, 2012 (the date of the engagement letter between PwC and Petrobras) to April 30, 2014, the date Petrobras filed its 2013 Form 20-F, herein referred to as the "Relevant Period."